

Message Text

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PAGE 01 BERN 00383 311233Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 MC-02 EB-08 ACDA-07 COME-00
TRSE-00 OMB-01 AID-05 IGA-02 L-03 DODE-00 /045 W
-----311300Z 122132 /43

P R 311200Z JAN 77
FM AMEMBASSY BERN
TO SECSTATE WASHDC PRIORITY 3839
INFO USCINCEUR

C O N F I D E N T I A L BERN 383

EO 11652: GDS
TAGS: MASS SZ
SUBJ: OFFSET FOR F-5E PROCUREMENT - END USER CERTIFICATES

REF: A) 76 BERN 4460; B) 76 STATE 232307; C) 76 STATE 265619

1. SUMMARY. FEDERAL COUNCIL HAS DECIDED TO ALLOW EX-
EMPTION FROM END USE CERTIFICATE REQUIREMENTS FOR MILITARY
PROVIDED: A) THAT THE EQUIPMENT IS PURCHASED IN CONNECTION
WITH THE MOU ON THE F-5 AND B) THAT THE EQUIPMENT DOES
NOT GIVE THE FINISHED PRODUCT THE APPEARANCE OF BEING OF
SWISS ORIGIN. END SUMMARY.

2. THE FEDERAL COUNCIL HAS INFORMED THE SWISS MILITARY
PROCUREMENT AGENCY (GRD), WHICH AS IN TURN INFORMED VSM,
OF THE DECISION SUMMARIZED ABOVE. FULL TEXT OF THE LETTER
TO VSM FOLLOWS: (EMBASSY TRANSLATION)

3. QUOTE: EXPORT OF MILITARY EQUIPMENT TO US GOVT
AGENCIES, THE US ARMED FORCES, AND PRIVATE INDUSTRY IN
THE USA.
IN CONNECTION WITH THE OPPORTUNITY AND COMMITMENT NEGO-
TIATED BY SWITZERLAND TO CONCLUDE COMPENSATORY BUSINESS
AGREEMENTS RELATED TO THE PURCHASE OF TIGER COMBAT
AIRCRAFT AND IN ORDER TO INTENSIFY THEM, THE FEDERAL
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COUNCIL HAS DECIDED THAT

- FOR THE SUPPLY OF FINISHED MILITARY EQUIPMENT FROM
SWITZERLAND TO THE US, END-USER CERTIFICATES WILL BE
REQUIRED, WITHOUT WHICH NO EXPORT LICENSES CAN BE
ISSUED

- FOR PARTS OF MILITARY EQUIPMENT TO BE SUPPLIED TO US CUSTOMERS END USER CERTIFICATES WILL ALSO BE REQUIRED, WHEN THOSE PARTS GIVE THE FINISHED MILITARY EQUIPMENT THE APPEARANCE OF BEING OF "SWISS ORIGIN"

- FOR DELIVERIES OF PARTS WHICH REPRESENT ONLY A SMALL PORTION OF THE FINISHED MILITARY EQUIPMENT, AND, AS APPARENTLY ANONYMOUS, MASS PRODUCED ITEMS, DO NOT GIVE THE FINISHED MILITARY EQUIPMENT THE APPEARANCE OF BEING OF "SWISS ORIGIN", END USER CERTIFICATES WILL NOT BE REQUIRED. THE CUSTOMER HAS, HOWEVER, THE POSSIBILITY TO INDICATE IN ADVANCE WHERE THE FINISHED MILITARY EQUIPMENT WILL BE SHIPPED.

- CASES IN WHICH THERE IS ANY DOUBT MUST BE SUBMITTED TO THE FEDERAL COUNCIL FOR DECISION.

IN THE PROPOSAL MADE BY THE FEDERAL MILITARY DEPT, AND ITS JUSTIFICATION, WHICH IS FULLY SUPPORTED BY THE FEDERAL COUNCIL, IT IS UNDERSTOOD THAT THE TRANSFER BY THE US ARMED FORCES OF MILITARY EQUIPMENT SUPPLIED BY SWITZERLAND TO OTHER TERRITORIES THAN THE US IS NOT TO BE CONSIDERED AS RE-EXPORT AS LONG AS THE EQUIPMENT REMAINS THE PROPERTY OF THE US ARMED FORCES AND CARRIES THEIR INSIGNIA. WE WOULD APPRECIATE YOUR INFORMING PERTINENT COMPANIES ACCORDINGLY. END QUOTE.

4. GRD (HUBER) TOLD US THAT AS STATED, THIS DECISION
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APPLIES ONLY TO TRANSACTIONS RELATED TO THE MOU. ESSENTIAL POINT IS THAT FINISHED PRODUCT NOT HAVE CHARACTER OR APPEARANCE OF BEING SWISS-MADE. THE DECISION AS TO WHETHER THIS CRITERION IS MET WILL BE MADE ON A CASE-BY-CASE BASIS. INDUSTRY WILL PROBABLY REACT CAUTIOUSLY AND SUBMIT MOST, IF NOT ALL, CASES FOR DECISION. INDUSTRY REACTION HAS BEEN POSITIVE. HUBER'S REACTION IS THAT THE TERMS OF REFERENCE ARE MORE FLEXIBLE THAN HE ANTICIPATED.

5. HUBER EMPHASIZED THAT PUBLICITY ABOUT THIS DECISION WITHIN SWITZERLAND WOULD BE HARMFUL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 31-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
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ISecure: 1
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Subject: OFFSET FOR F-5E PROCUREMENT - END USER CERTIFICATES
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